



STATE OF WASHINGTON

DEPARTMENT OF COMMERCE

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August 8, 2011

Ms. Cathy V. Canorro
Acting Director
Office of Minority and Women's Business Enterprises
PO Box 41160
Olympia, WA 98504-1160

Dear Ms. Canorro:

I am pleased to submit the Washington State Department of Commerce's 2012-2013 Supplier Diversity Plan which reaffirms our intent to continue contract and procurement spending with minority and women-owned businesses.

We look forward to partnering with you to ensure OMWBE outreach and reporting.

Sincerely,

Rogers Weed
Director

Enclosure

**2012 WASHINGTON STATE DEPARTMENT OF COMMERCE
SUPPLIER DIVERSITY PLAN**

1) Statement of Commitment from the Director:

The Washington State Department of Commerce (COMMERCE) is committed to increasing its contracting opportunities to qualified minority, women and other disadvantaged individual businesses, in order to support the state-wide Supplier Diversity Initiative.

2) Mission of Supplier Diversity Plan:

The Commerce mission under this Plan is to increase participation of minority and women-owned business enterprises in the competitive contract selection process.

3) Goal of Supplier Diversity Plan:

The Commerce goal is to increase its contract spending with minority and women-owned businesses (MWBES) by partnering with the Office of Minority and Women-Owned Business Enterprises (OMWBE) for outreach, education and training.

4) Actions to Achieve Supplier Diversity Goal:

- a. Identify eligible entities already under contract with Commerce and encourage them to become certified with OMWBE.
- b. Identify specific opportunities where MWBEs could participate and make efforts to include them in all such solicitation efforts.
- c. Where practical, post all solicitations on WEBS and on the OMWBE website.
- d. Accurately and completely record and report all payments made to MWBEs.
- e. Partner with OMWBE to identify effective outreach strategies and purchasing efforts.

5) Specific Action Steps to Meet Supplier Diversity Goal:

- a. Identify eligible entities already under contract:
 - i. Access Commerce contract database for list of all for-profit current contractors that have not already been certified as MWBEs.
 - ii. Check Secretary of State website for ownership information about these MWBEs that may indicate eligibility.
 - iii. Contact those contractors who appear eligible and ask them to apply for certification by OMWBE.
- b. Identify specific opportunities:
 - i. Use Commerce contract database to identify recurrent solicitations that have resulted in contracts with for-profit entities.
 - ii. Contact Commerce staff that will make future selections for these goods/services and suggest ways to be more inclusive of MWBEs.
- c. Post solicitations on WEBS and OMWBE website:
 - i. Although posting on WEBS and the OMWBE website is *required* only in a very small percentage of our contractor selections, adding this step notifies MWBEs of future opportunities.
- d. Recording and reporting all payments to MWBEs:

- i. Ensure that all payments to MWBEs have correct contractor Taxpayer Identification Number (TIN) and correct sub-object of expenditure.
 - ii. Ensure that Commerce claims any available OMWBE exceptions for payments entered into AFRS. This includes expenditures where Commerce had no discretion in selecting an MWBE. Examples are expenditures for food, fuel, communications and facility rental. This will increase the Commerce MWBE utilization percentage.
 - iii. Petition OMWBE for exceptions to expenditures that are reported. Examples include sole source contracts and contracts with MWBEs for services under a sub-object of expenditure not reported to OMWBE by AFRS. These exceptions will also increase the Commerce MWBE utilization percentage.
- e. Partner with OMWBE:
 - i. Take every opportunity to participate in OMWBE workshops, forums, focus-groups, webinars, trainings and similar events. Benefits to Commerce include sharing best practices and accessing more MWBEs.
 - ii. Work with OMWBE to get eligible Commerce contractors certified.

6) Persons with Authority and Responsibility to Implement and Monitor this Plan:

Coordination of securing purchased goods and services is done by the Purchasing Officer in the Administrative Services Division (ASD). However, actual selection of vendors is done by the various Program Managers whose budgets fund these purchases. Similarly, Central Contracting in ASD oversees the process for most types of contracts, but the Program managers select the contractors. Accounting Services in ASD ensures expenditures are coded properly and that they accurately reflect Commerce's participation base and any exceptions that may apply. The following lists duties of each person involved with these processes:

- a. Executives-
 - i. Director of Commerce-reviews, endorses and signs this Supplier Diversity Plan.
 - ii. Assistant Director for ASD-Ensures that Plan is completed and filed with OMWBE in a timely fashion.
 - iii. Assistant Directors of Divisions whose program staff selects contractors-Ensure that their staff includes certified firms in selection process wherever possible and that those already under contract who are eligible for OMWBE certification do become certified.
- b. Purchasing Officer-Ensures that procedures are in place for using OMWBE-certified vendors. Provides training to Commerce staff on locating OMWBE vendors for selection.
- c. Central Contracting-Ensures that contracts facilitate MWBE participation and that Commerce conducts MWBE outreach.
- d. Accounting Services-ensures that vendor information and object coding is correctly entered into the Commerce contracts database and into AFRS. This results in more accurate OMWBE reporting.
- e. Program Staff, who select vendors and contractors-Whenever possible, notify MWBEs of solicitations. Also determine which current contractors may be

eligible for OMWBE certification and encourage them to apply for certification.

7) Annual Goals for Next Two years:

Based on a review of past performance and the state-wide goals identified in WAC 326-30-041, Commerce establishes annual goals of 10% for MBE and 4% for WBE for FY 12 and FY 13.

The OMWBE participation percentages for Commerce for the fiscal years 2007 through 2010 were as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>MBE</u>	.54%	1.29%	.32%	16.46%
<u>WBE</u>	3.76%	3.93%	4.71%	2.17%

The higher number of 16.46% for MBE utilization in 2010 was somewhat anomalous and due to two factors. The first was a large increase of federal funding for weatherization from the American Recovery and Reinvestment Act (ARRA). The second was the use of for-profit contractors instead of the usual private-nonprofit contractors. A large amount of ARRA funds was paid to these for-profit entities (that happened to be MBEs) to do this work and the result was an increase to 16.46% in MBE utilization. However, current spending patterns reflect less ARRA funding and a return to the use of private non-profit entities for this work.

8) Monitor progress and adjust strategy:

- a. Review MWBE reports from the OFM Enterprise system as well as the quarterly reports from OMWBE.
- b. Quarterly GMAP review. Adjustments can be made to the Plan based on GMAP reporting and other information.